

About RVI

River Valley Investors (RVI) is a western Massachusetts-based group of individual investors working in concert to find high-quality private equity investment opportunities in both early stage companies with significant growth potential as well as later-stage companies.

Value Proposition

RVI connects its Members together in a network where their collective experience, domain knowledge, and contacts can easily be accessed, shared, and brought to bear on investment opportunities. By working together, dramatic economies of scale are achieved in finding, evaluating, and actively managing new opportunities. This collaboration saves members significant time and money, expands their personal networks, and increases the quality of their investments.

Member Benefits

1. **Network** - Members become a part of a strong network of successful business leaders with an invaluable diversity of skills, experience, domain expertise, and contacts.
2. **Deal Sourcing and Screening**- The organization provides Members access to a wide variety of deals drawn from actively cultivated and maintained sources. These deals are then screened to ensure that they meet Member interests and quality standards.
3. **Presentations** - Members are provided succinct presentations and Q&A sessions from the leaders of the best companies to pass through the review process.
4. **Follow Up Coordination** - RVI's managers facilitate the coordination of deal-related follow up activities.
5. **Centralized Information Access** - Members are sent electronic copies of all deals of interest that pass through the review process. Members also have ready access to a central repository of all data on current and past deals including: executive summaries, contact information, due diligence reports, etc.
6. **Syndication Opportunities** - RVI's managers are in contact with the 20+ other angel groups in New England to help find and catalyze syndication and networking opportunities for Members.
7. **Investment Facilitation** - RVI's managers actively work with Members to facilitate the logistics and coordination of due diligence, negotiation, and investment activities.
8. **Members' Meetings** - Members have access to ten Members' Meetings each year. These are morning meetings focused on viewing new deals and evaluating deals under due diligence. Space, refreshments, and reminder communications are all provided.
9. **Social Meetings** - These are evening social events that take place periodically and focus on facilitating social networking and the building of trust between Members.
10. **Reporting** - At the monthly meetings, Members receive a booklet containing copies of all executive summaries and presentation materials from any company giving a presentation that month, minutes of the previous meeting, updates on due diligence investigations, as well as synopsis of relevant progress on RVI portfolio investments.

Dealflow

- 150 deals screened per year
- 20 in-person presentations per year
- 8 Investments consisting of at least one Member since 2003
- 3 Investments consisting of at least two Members since 2003

Membership Criteria

The River Valley Investors is composed of Members who:

- Are accredited investors, as defined by the SEC
- Possess significant domain knowledge
- Possess a strong network
- Desire to invest in high growth, early stage opportunities
- Willingly help with deal sourcing, screening, due diligence, leadership, etc.

Investment Criteria

1. **Champion/Deal Lead** - There must be at least one Member who possesses the needed domain knowledge, has spent significant time investigating the deal, and believes strongly in it. This criteria is by far the most important and can trump all others.
2. **Compatible Space** - Company must *not* be in a domain where our group lacks sufficient domain knowledge to properly evaluate the opportunity. Currently this includes the following domains: pharmaceuticals, semiconductors, entertainment, retail/consumer, or enterprise software markets.
3. **Close** - No more than a 2-hour drive from Springfield. Preference is given for companies within 1 hour's drive.
4. **Stage** – RVI seeks companies in both the "Early" (near/at revenue) and "Expansion" stages, as defined by PWC's MoneyTree report (www.pwcmoneytree.com/moneytree).
5. **Team** - A strong (though not necessarily a COMPLETE) management team.
6. **ROI** - Our group targets companies that can offer at least a 10x return within 5-7 years.
7. **Financing** – Company must be seeking no more than \$2 million in the current round and no more than \$20 million of follow-on funding to reach exit.

Investment & Due Diligence Decisions

Each Member makes his/her own decision on whether to invest in a deal based on his/her own due diligence. Investments can be done individually or collectively. Members are not required to make any investments in the companies presented to them through the group.

Management & Administration

Committees

- **Screening Committee** – This committee is headed by the Dealflow Director and is responsible for: A) Determining which member(s) can serve as lead investigator(s)/champion(s) for each deal under review; B) Selecting which of the champion-backed deals will present at the next Members' Meeting; and C) Helping develop new sources of dealflow.
- **Membership Committee** – Headed by the Membership Director, this committee is responsible for recruiting new Members and retaining existing Members.
- **Executive Committee** – Responsible for the high-level leadership and management of RVI as well as overseeing the group's professional staff. This body is elected annually by the Membership and is composed of four Members who hold the following titles: Chair, Dealflow Director, Membership Director, and Treasurer. The Chair serves as the group's overall leader and directly manages the Staff. The Treasurer is responsible for managing the group's finances.

Staff

- **Overall** – RVI's staff is responsible for executing all tasks needed to fulfill the above-stated Member Benefits and running the day-to-day operations of the group. It is important to note that the staff facilitates, but does *not* conduct, due diligence efforts as these are best handled directly by Members.
- **Manager** – The staff is led by a Manager who is responsible for: A) Facilitating all group meetings; B) Serving as RVI's public representative and spokesperson; C) Ensuring the successful execution of the Executive Committee's directives.
- **Disclosure** – Staff members disclose all relevant relationships with companies seeking funding and/or any other entities that relate to RVI.

Compensation

The Executive Committee receives no compensation. The staff is paid with membership dues. The staff does not receive any success fees from companies in which River Valley Investor members invest.